COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| PURCHASED WATER ADJUSTMENT |) | |
|-----------------------------|---|------------|
| OF SOUTHEAST DAVIESS COUNTY |) | CASE NO. |
| WATER DISTRICT |) | 2004-00134 |

ORDER

On April 15, 2004, Southeast Daviess County Water District ("Southeast Daviess") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

- Southeast Daviess purchases water from the Owensboro Municipal Utilities ("Owensboro").
- 2. Owensboro notified Southeast Daviess that, effective June 1, 2004, its wholesale water rate would increase from \$1.157 per 1,000 gallons to \$1.262 per 1,000 gallons. Southeast Daviess proposes to increase the water rates to its customers effective June 1, 2004.
- 3. During the 12 months ending March 31, 2003, Southeast Daviess purchased 555,342,446 gallons of water from Owensboro and sold 520,626,510 gallons. The increase in the cost of purchased water is \$58,310.96, resulting in a purchased water adjustment of \$0.11 per 1,000 gallons.
- 4. The purchased water adjustment of \$0.11 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.11 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after June 1, 2004.

2. The proposed tariff sheets filed by Southeast Daviess are approved as filed.

Done at Frankfort, Kentucky, this 13th day of May, 2004.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00134 DATED May 13, 2004

The following rates and charges are prescribed for the customers in the area served by Southeast Daviess County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

| Non Users | \$5.34 |
|---------------------|------------------------|
| First 2,000 gallons | 7.14 Minimum Bill |
| Next 8,000 gallons | 2.06 per 1,000 gallons |
| Next 10,000 gallons | 1.95 per 1,000 gallons |
| Next 20,000 gallons | 1.84 per 1,000 gallons |
| Over 40,000 gallons | 1.75 per 1,000 gallons |
| | |

Wholesale Water Rates

| City of Whitesville | \$1.50 per 1,000 gallons |
|---------------------------------------|--------------------------|
| East Daviess County Water Association | 1.50 per 1,000 gallons |